

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	x	
	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

ORDER PERMITTING DELPHI CORPORATION TO ENTER INTO A STIPULATION OF
SETTLEMENT BETWEEN DELPHI CORPORATION, MERRILL LYNCH & CO., INC.
AND DEBORAH DONOGHUE IN ACTION BEFORE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Delphi Corporation, a debtor and debtor-in-possession in the above-captioned cases,
submitted this proposed Order permitting Delphi Corporation to Enter Into A Stipulation Of
Settlement Between Delphi Corporation, Merrill Lynch & Co., Inc. And Deborah Donoghue In
Action Before United States District Court For The Southern District Of New York:

WHEREAS, on October 8, 2005, Delphi Corporation and certain of its
subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases, filed
voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-
1330, as then amended, in the United States Bankruptcy Court for the Southern District of New
York (the "Bankruptcy Court").

WHEREAS, on March 2, 2007 the action Deborah Donoghue v. Delphi
Corporation and Merrill Lynch & Co., Inc., No. 07-CV-1884 (LBS) (the "Action") was instituted
in the United States District Court for the Southern District of New York (the "District Court")
by plaintiff Deborah Donoghue, as a shareholder of Delphi Corporation, pursuant to Section
16(b) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78p(b) (the "Act"), to

recover on behalf of Delphi Corporation the profits alleged to have been realized by defendant Merrill Lynch, arising from the latter's alleged purchases and sales, or sales and purchases, of Delphi Corporation common stock within periods of less than six months, while alleged to have been a more-than-ten percent beneficial owner (as a member of a putative "group" under Section 13(d) of the Act) of Delphi Corporation.

WHEREAS, to resolve the Action, on October 30, 2008, Delphi Corporation, Merrill Lynch, and Deborah Donoghue entered into that certain Stipulation of Settlement (the "Stipulation"), a copy of which is attached hereto as Exhibit A, to settle the claim asserted by plaintiff Deborah Donoghue against defendant Merrill Lynch in the Action, for the benefit of nominal defendant Delphi Corporation.

WHEREAS, pursuant to the Stipulation, among other things, (i) Merrill Lynch shall pay to Delphi Corporation \$225,000.00 within 10 days of the entry of an order by the District Court approving the terms of the Stipulation pursuant to Fed. R. Civ. P. 23.1; (ii) such payment shall be made in full and complete satisfaction of all sums allegedly owed by Merrill Lynch to Delphi Corporation in respect of the claim asserted in the complaint in the Action; (iii) Deborah Donoghue's counsel, David Lopez, Esq., shall apply to the District Court for a fair and reasonable legal fee in the amount of \$75,000.00 plus out-of-pocket disbursements, in an amount not to exceed \$1,000.00, necessarily incurred by him in the prosecution of the Action; (iv) Delphi Corporation shall make payment to Mr. Lopez in the amount awarded by the District Court within 10 days of its receipt of payment from Merrill Lynch; and (v) within 10 days of the entry of an order by the District Court approving the Stipulation, Delphi Corporation, Merrill Lynch, and Deborah Donoghue shall exchange releases in the forms annexed to the Stipulation as Exhibits B, C, and D respectively.

WHEREAS, Delphi Corporation is authorized to execute and deliver the Stipulation pursuant to that certain Amended And Restated Order Under 11 U.S.C. §§ 363, 502, And 503 And Fed. R. Bankr. P. 9019(b) Authorizing Debtors To Compromise Or Settle Certain Classes Of Controversy And Allow Claims Without Further Court Approval (Docket No. 8401) entered by this Court on June 26, 2007.

WHEREAS, on October 30, 2008, Delphi Corporation filed a Notice of the Proposed Stipulation of Settlement with this Bankruptcy Court (Docket No. 14383), which provided that objections, if any, to the debtor's entry into the proposed settlement be filed and served no later than November 5, 2008 at 4:00 p.m., and that the Proposed Stipulation of Settlement would be presented to the Bankruptcy Court for its consideration on November 6, 2008, at 10:00 a.m. if no objections were received.

WHEREAS, no objection has been received.

THEREFORE, it is Ordered that:

1. Delphi Corporation is authorized to enter into and perform under the Stipulation, including the releases granted by it thereunder.

Dated: New York, New York
November 19, 2008

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE